



INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

ORDER

Order under Section 12 and 13(4) of the International Financial Services Centres Authority Act, 2019 read with Section 12(3), Section 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992 read with Regulation 68(1) the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 read with Regulation 41(1) and 47(3) of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025

In respect of:

Karvy Broking (IFSC) Limited
INZ000213735

A. BACKGROUND

1. Karvy Broking (IFSC) Limited (hereinafter refer to as "KBIL/Noticee") is registered as stockbroker with registration number INZ000213735. Karvy Stock Broking Limited, the promoter entity of the Noticee, was suspended by the National Stock Exchange of India Limited and the BSE Limited had deactivated the trading terminal of the said promoter entity with effect from December 02, 2019. On account of the same, India International Exchange (India INX) had deactivated the trading terminal of the Noticee with effect from December 02, 2019.
2. The International Financial Services Centres Authority (IFSCA) has issued Circular F. No. 1/IFSCA/CMI Supervision/2023-24 dated February 08, 2024 (hereinafter referred to as Quarterly Report Circular) requiring all Capital Market Intermediaries (CMIs) in IFSC to submit quarterly reports in the formats prescribed by the Authority within 15 days of the end of the quarter. The Noticee being a registered CMI was under an obligation to submit the quarterly reports within the time stipulated above. The IFSCA had issued a letter dated February 07, 2025 to India INX directing it to issue warning letter to the Noticee in respect of non-submission of quarterly reports. Pursuant to the same, India INX issued warning letter dated February 17, 2025 to the Noticee.



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3. Whereas even after issuance of the aforesaid warning letter the Noticee has not submitted the Quarterly reports.
4. On the basis of the aforesaid, it is alleged that the Noticee has violated Quarterly Report Circular read with Regulation 15(2) of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 (CMI Regulations, 2021) read with corresponding provisions of Regulations 17(3) and 47(3) of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 (CMI Regulations, 2025).

B. SHOW CAUSE NOTICE, REPLY AND OPPORTUNITY OF PERSONAL HEARING

5. On the basis of the aforesaid observations, a Show Cause Notice (hereinafter referred to “SCN”) dated January 16, 2026 was issued to the Noticee to show cause as to why action under Section 12 and 13(4) of the International Financial Services Centres Authority Act, 2019 (IFSCA Act, 2019), read with Section 12(3), 11B(1) and 11B(2) (read with section 15A(a) and 15HB), read with Regulation 68(1) of the CMI Regulations, 2021 read with Regulation 41(1) and 47(3) of the CMI Regulations, 2025 should not be taken against it.
6. The delivery of SCN was attempted through speed post and e-mail. Since both the said attempts were unsuccessful, the SCN was served on the Noticee through affixture on March 10, 2026. Further, a hearing notice dated March 16, 2026 fixing hearing on March 24, 2026 was also served on the Noticee through affixture on March 16, 2026. The said notices were also uploaded on IFSCA website.
7. However, the Noticee neither filed any reply to the SCN nor appeared for hearing. Therefore, the QJAE deems it appropriate to proceed against the Noticee ex parte, on the basis of information/material available on record.

C. CONSIDERATION OF ISSUES AND FINDINGS:

8. The QJAE has taken into consideration the facts and circumstances of the case and the material available on record. The issues that arise for consideration in the present case are:
 - (i) Issue No. 1: Whether the Noticee has violated the provisions of law as alleged in the SCN?



- (ii) Issue No. 2: Does the violation, if any, and facts and circumstances of the matter warrant any enforcement action?
- (iii) Issue No. 3: If so, what would be the appropriate enforcement action?

ISSUE NO. 1: Whether the Noticee has violated the provisions of law as alleged in the SCN?

9. The SCN alleges that the Noticee has not submitted the Quarterly Reports as per the requirements of Quarterly Report Circular read with Regulation 15(2) of the CMI Regulations, 2021 read with corresponding provisions of Regulation 17(3) and Regulation 47(3) of the CMI Regulations, 2025. The said provisions are quoted below:

Regulation 15(2) of the CMI Regulations, 2021

“A registered capital market intermediary shall furnish such reports, returns, statements and particulars, in such manner, interval and form, as may be specified by the Authority from time to time”.

Regulation 17(3) of the CMI Regulations, 2025

“A registered capital market intermediary shall furnish such reports, returns, statements and particulars, in such manner, interval and form, as may be specified by the Authority from time to time”.

Clause 3 of the Circular F. No. 1/IFSCA/CMI Supervision/2023-24 dated February 8, 2024:

“While the first report under this Circular, corresponding to the period October 01, 2023 to December 31, 2023, shall be submitted latest by February 28, 2024, the subsequent reports for each quarter shall be submitted within 15 calendar days from the end of the quarter”.

10. The QJAE finds that the Noticee has not submitted the quarterly reports and therefore, has violated Regulation 15(2) of the CMI Regulations, 2021 read with corresponding provisions of Regulations 17(3) and 47(3) of the CMI Regulations, 2025.
11. Further, since the Noticee has not submitted the quarterly reports, the Noticee is also liable to pay late fees in terms of Circular F.No.865/IFSCA/Banking/Fee Revision/2022-23 dated May 17, 2023 read with Circular IFSCA-DRFA/1/2025 dated April 8, 2025 (hereinafter referred to as Late Fees Circular) as amended from time to time.

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ISSUE NO. 2: Does the violation, if any, and facts and circumstances of the matter warrant any enforcement action?

ISSUE NO. 3: If so, what would be the appropriate enforcement action?

12. It is observed that the SCN could not be served on the Noticee either through Speed Post Acknowledgment Due or on its email addresses available on record. Since the SCN could not be served through the said modes, the SCN as well as hearing notice were affixed at the last known address of the Noticee in GIFT City and was also uploaded on IFSCA website. However, no communication has been received from the Noticee in respect of the instant proceedings. Therefore, for all practical purposes, the Noticee is not traceable and is deemed to be non-existent in GIFT-IFSC.
13. Further, the Noticee has not submitted any quarterly reports in line with the Quarterly Report Circular and by virtue of the same the Noticee has also incurred late submission fees in line with the Late Fee Circular. In this regard, reference is made to below mentioned Regulation 68(1)(b) of the CMI Regulations, 2021 and Regulation 41(1)(e) of the CMI Regulations, 2025:

Regulations 68(1) of the CMI Regulations, 2021:

" Suspension, cancellation of registration or any other actions.

68. (1) The Authority may take such action as deemed fit, including suspension or cancellation of registration, against a capital market intermediary if it:

(a)

(b) contravenes any of the provisions of the Act or rules or regulations or circulars or guidelines or directions or instructions issued thereunder"

Regulation 41(1) of the CMI Regulations, 2025

41. Suspension, cancellation of registration or any other actions

(1) The Authority may take such action as deemed fit, including suspension or cancellation of registration, against a CMI if it:

(a)

(b) contravenes any of the provisions of the Act or any rules, regulations, notifications, circulars, guidelines, directions or instructions issued under the Act or any other relevant statute;



.....

(e) does not submit periodic returns or reports as directed by the Authority....”

14. The QJAE notes that section 12 and 13(4) of the IFSCA Act, 2019 read with 12(3) of the SEBI Act, 1992 empowers IFSCA to cancel the registration of a broker dealer in accordance with laid down regulations. In this regard, from the provisions quoted above, the QJAE notes that the erstwhile CMI Regulations, 2021 provided a provision for cancellation of registration if a capital market intermediary contravenes any Circular issued under the IFSCA Act, 2019 and the Noticee has failed to comply with the Quarterly Reports Circular as well as Late Fees Circular. Further, the CMI Regulations 2025 also contains similar provision providing for cancellation of registration for contravention of Circulars as well as for non-submission of periodic returns or reports as directed by IFSCA. The non-compliances by the Noticee had occurred during the reign of erstwhile CMI Regulations, 2021 and continues till date. Further the noticee has neither filed reply to SCN nor attended personal hearing. Therefore, the provision to cancel registration of the Noticee can be invoked in the instant matter.
15. Furthermore, since the Noticee has not submitted the quarterly reports, the Noticee is liable to pay late submission fees till the cancellation of registration in terms of late fee circular. In view of the same, a direction is required to be issued to the Noticee to pay the late submission fees till the date of cancellation.

D. ORDER

16. Considering the aforesaid analysis and violations committed by the Noticee in the given factual and legal matrix, the QJAE, in exercise of the powers conferred under Section 12 and 13(4) of the IFSCA Act, 2019 read with Section 11B(1) and 12(3) of the SEBI Act, 1992 read with Regulation 68(1) the CMI Regulations, 2021 read with Regulation 41(1) and 47(3) of the CMI Regulations, 2025, hereby cancels the Certificate of Registration No. INZ000213735 dated December 27, 2018 issued to the Noticee and, also directs the Noticee to pay the late fees till the date of cancellation within 45 days from the date of receipt of this order.
17. Irrespective of the cancellation of CoR, the Noticee shall continue to be liable for anything done or omitted to be done as Broker Dealer and continue to be responsible for payment of outstanding fees and dues and interest, if any, due to the Authority.

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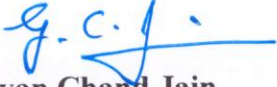
Order in the matter of Karvy Broking (IFSC) Limited



18. The SCN dated January 16, 2026 is disposed of in above terms.

19. This order shall come into force with immediate effect.

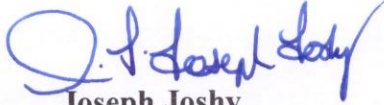
20. If the Noticee is aggrieved by this order, it may prefer an appeal to the Securities Appellate Tribunal having jurisdiction in the matter under Section 15T of the SEBI Act 1992 read with Section 13(4) of the IFSCA Act 2019.



Gyan Chand Jain

Member

QJAE



Joseph Joshy

Member

QJAE



K Mahipal Reddy

Member

QJAE

Place: Gandhinagar

Date: 21-05-2026

